

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF LOUISVILLE)
GAS AND ELECTRIC COMPANY) CASE NO. 90-158-JJ

ORDER

On December 21, 1990, in Case No. 90-158, the Commission approved certain adjusted rates for Louisville Gas and Electric Company (LG&E) and provided for their further adjustment on a quarterly basis in accordance with its gas supply clause (GSC).

On October 1, 1999, LG&E filed its GSC to be effective from November 1, 1999 through January 31, 2000.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. LG&E s notice proposes revised rates designed to pass on expected increased wholesale gas costs to its customers. LG&E s proposed expected gas supply cost is 36.898 cents per 100 cubic feet, or \$3.6898 per Mcf, which is 40.49 cents per Mcf more than the previous expected gas supply cost.

2. LG&E has no current supplier refunds to return to its customers. The total Refund Factor (RF) for sales customers of 3.74 cents per Mcf is composed of a previous quarter refund, and represents no change from the previous quarter total RF.

3. LG&E s notice set out a current quarter actual adjustment (AA) of 2.89 cents per Mcf to collect under-recovered gas cost from May, June and July 1999. The proposed total AA of (10.56) cents per Mcf reflects the current under-collection as well as under- and over-collections from three previous quarters, and represents an increase of 4.56 cents per Mcf over the previous total AA.

4. LG&E s notice set out a Balance Adjustment (BA) of 1.91 cents per Mcf to collect remaining under-collections from previous actual and balance adjustments. This is an increase of 26.12 cents per Mcf from the previous BA.

5. LG&E s notice set out its Performance-Based Rate Recovery Component (PBRRC) of \$.0868 per Mcf which is designed to collect LG&E s portion of PBR savings from the 12-month period ending October 31, 1998. This rate remains unchanged.

6. These adjustments produce a gas supply cost component of 36.527 cents per 100 cubic feet or \$3.6527 per Mcf, 71.17 cents per Mcf more than the prior gas supply cost component of \$2.9410 per Mcf.

7. The rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after November 1, 1999.

8. LG&E filed with its notice a petition for confidential treatment of supplier information filed in Exhibit B-1, pages 5 and 6 of 6. Publication of such information is likely to cause competitive injury to LG&E. Its request should be granted.

IT IS THEREFORE ORDERED that:

1. The rate in the Appendix to this Order is fair, just, and reasonable and is effective for gas supplied on and after November 1, 1999.

2. Within 30 days of the date of this Order, LG&E shall file with this Commission its revised tariffs setting out the rates authorized in this Order.

3. LG&E's request for confidential treatment of Exhibit B-1, pages 5 and 6, is hereby granted.

Done at Frankfort, Kentucky, this October 27, 1999.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-158-JJ DATED OCTOBER 27, 1999

The following rates and charges are prescribed for the customers served by Louisville Gas and Electric Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Gas Supply Cost Component

The total Gas Supply Cost Component shall be 36.527 cents per 100 cubic feet during the period covered by the bill.